

OPEN

Adults and Health Committee

22 September 2025

Accommodation with Care Contract: Decision to recommission

Report of: Helen Charlesworth-May, Executive Director of Adults, Health and Integration

Report Reference No: AH/16/2025-26

Ward(s) Affected: All

For Decision

Purpose of Report

- 1 The purpose of this report is to seek approval from members to recommission the 'Accommodation with Care' contract (Residential and Nursing Care Homes) ahead of the contract expiry date 31st March 2026.

Executive Summary

- 2 We are seeking approval from members to recommission the 'Accommodation with Care' contract, ahead of the expiry date 31st March 2026.
- 3 Our commissioning intentions are to Direct Award any existing AWC Providers who have already been awarded a place on the framework via the CHEST portal tendering process. Any care homes who are not currently onboarded on to the AWC framework will need to complete the full tender process on the CHEST. This method has been agreed by our Procurement and Legal Teams.
- 4 The Accommodation with Care contract extension was recently approved by members at the last Committee in June 2025.
- 5 The contract value will be approximately £270 million, over a 5 year period. There is an option to extend by 2 years. If we decide to extend the overall value would increase by approximately £54 million annually to approximately £378,000,000 in total.

There are currently 97 Residential and Nursing care homes in Cheshire East and we currently have 75 homes on the AWC framework.

RECOMMENDATIONS:

The Adults and Health Committee is recommended to:

1. Approve the recommission the Accommodation with Care contract, ahead of the expiry date of 31st March 2026.

Background

- 6 The Accommodation with Care (AWC) contract originally commenced in October 2018, as a framework for providers to join. These contracted providers deliver high quality, safe and personalised accommodation with care to adults over the age of 18.
- 7 This service promotes choice, dignity, control and quality of life for all residents and provide modernised care and support services that deliver value for money. The AWC contract includes the following provisions; Mental Health, Learning Disability, Physical Disability, Intermediate Care and Discharge to Assess.
- 8 Once awarded a place on the AWC framework, care home providers are able to bid for placements issued through the e-Brokerage system. Our Quality Assurance Team carry out visits to inspect the homes, against our contract performance management framework.
- 9 We wish to help care homes understand that that their financial model should not rely on the Local Authority funding placements. We would like all care homes to make any self-funding residents aware that Cheshire East Council have no obligation to fund the placement if the service user can no-longer cover the weekly care fees.
- 10 Under the Care Act, the Local Authority has a statutory responsibility to ensure this service is available and to a high standard for the residents of Cheshire East. The contract is due to expire 31st March, hence the decision to recommission this service; subject to committee approval.

Consultation and Engagement

- 11 At the last committee in June 2025, the Accommodation with Care contract extension was approved by members.
- 12 This contract extension has provided us extra time to ensure that the work is fully aligned to our transformation programme, and the new UK Procurement Act 2023.
- 13 We will consult, involve and co-produce with people who receive support via this contract and/or those who advocate on their behalf, in partnership with the Council, providers and other key stakeholders. We are also seeking greater involvement from these groups in the procurement phase of this contract.

Reasons for Recommendations

- 14 As a result of recommissioning this AWC contract, residents will be able to remain in their current care homes and would not risk the Council not satisfying its statutory duties. By recommissioning the care home service, we will be alleviating the concerns and risk of homelessness.
- 15 Subject to approval, our commissioning intentions are as follows:
- 16 To direct award any existing AWC providers who have already been awarded a place on the framework via the CHEST tendering process (Framework A). This will mean they won't have to go through the full tendering process again, which will help our existing providers and act as an incentive for them to want to sign up to the new AWC contract.
- 17 However, any care homes who are not currently onboarded on to the AWC framework will need to complete the full tender process on the CHEST (Framework B) to ensure the new homes understand the Council's expectations and deliver the high standard of care our residents require.
- 18 We will open Framework C at a later date, for any additional providers who wish to join the framework. These could be homes who have previously chosen to not join, previously failed to be awarded a place on the framework, or any new care homes who have been built after April 2026. This will ensure no homes are excluded and will all have a chance to bid for a place on the AWC framework.
- 19 In order to abide by the Care Act, we promote the efficient and effective operation and sustainability of a market in services for meeting the care and support needs of individuals. We are working towards transforming the care and support offer to ensure we have greater capacity and an improved range of services that are value for money.
- 20 Care homes will be key to the 'Blueprint 2030' ambitions in relation to 'Healthy Neighbourhoods' and 'Health and Care Services'. This also links in with transformation project work, as Prevent Reduce Enable (PRE) enables residents to maintain independence and may delay commissioned services. We will work with providers to reset, reimagine and reshape care homes, so they can deliver services that are more responsive, innovative and aligned with the needs of our residents.

Additional Quality Information

- 21 A robust system is in place to ensure the quality of services delivered in all Cheshire East care homes. The Council's Quality Assurance Team along with the regulator which is the Care Quality Commission (CQC) and key stakeholders including the Integrated Care Board (ICB) work together to monitor the quality and performance of all care homes located within the borough.

- 22 Reciprocal arrangements are in place to highlight any concerns regarding the quality of care being provided in care homes located outside of the Cheshire East footprint. Any homes which are considered to be CQC rated “Requires Improvement” have an enhanced quality assurance input from the local authority and partners in order to ensure the safety and quality of care provided to residents.
- 23 Referrals to care homes where there are significant concerns are suspended from any new admissions until improvements have been demonstrated and sustained to the satisfaction of the council (including Safeguarding), the regulator (CQC) and NHS.
- 24 If the Council and partners have serious concerns regarding the providers performance and a care home provider is in persistent breach of the contract in place, the resident/residents will be moved to an alternative care home in order to ensure care needs are safely being met to a satisfactory standard.

Other Options Considered

- 25 Under the Care Act, the authority has a statutory responsibility to ensure this service is available.

Option	Impact	Risk
Do nothing- If Committee do not approve our decision to recommission	The Council would not be able to satisfy its statutory duties.	The Local Authority would be penalised for not providing a mandatory service by law.
Do nothing- If Committee do not approve our decision to recommission	Not all in borough care homes are onboarded on to the existing framework. (By Recommissioning this AWC service, this gives any homes who are not onboarded a chance to bid for a place on the new Framework, which supports having as many homes in the borough on our official AWC contract)	This would result in an increase of spot purchase arrangements in non-contracted care homes, with no contractual agreement in place to ensure our standard are met, and also high cost placement fees.

Implications and Comments

Monitoring Officer/Legal/Governance

- 26 Legal have considered and reviewed the procurement position in relation to the recommission of the ‘Accommodation with Care’ contract.
- 27 Legal can confirm that we are happy with the proposed procurement approach set out in this report and happy for the recommission of the Contract to proceed on that basis.

Section 151 Officer/Finance

- 28 This decision will not create new expenditure, it continues current commitments as part of the Council's duties under the Care Act.
- 29 It is a revenue commitment, it relates to ongoing payments to third parties for accommodation with care services, it's not an investment in physical assets or infrastructure.
- 30 At present the committed spend for 2025/26 on Accommodation with Care services is £83.686m, approximately £53.991m of this is with providers on CE's framework contract. Recommissioning the contract offers an opportunity to increase the number of providers on the contract and to improve the contract-management of accommodation with care services. Also, bringing more providers onto the contract improves value for money by reducing reliance on often higher-cost spot purchases.

AwC Budget	£ms
AwC Budget 2025/26	£83.760
AwC Transformation Savings 2025/26	-£1.250
Net AwC Budget 2025/26	£82.510
2025/26 AwC Commitment - Total	£83.686
2025/26 AwC Commitment - with Contracted Providers	£53.991

- 31 The recommission supports the MTFS because it helps to deliver the Prevent, Reduce, Enable (PRE) programme. PRE is focused on enabling residents to maintain their independence. Part of the expected output is that residents will be supported to live at home for longer. Recommissioning presents an opportunity for CE to shape the AwC market, which in turn would support the PRE aims by helping to reduce the number of longer-term care home placements.
- 32 The recommission also supports the Commissioning and Brokerage MTFS proposal. It will help the CE to apply and negotiate towards the new guide price for Accommodation with Care services.
- 33 The financial impact covers multiple years, with an estimated annual cost of £53.991m (based on current care plans in place) over five years, plus a possible two-year extension.
- 34 As detailed in paragraph 21 recommissioning this contract will also help to make sure care homes continue to meet high quality standards.

Risk Management

- 35 As a result of recommissioning this contract, residents will be able to remain in their current care homes. If we chose not to recommission, we

would risk the Council not satisfying its statutory duties. Potential risks to consider and monitor going forward:

- Retaining a sustainable fee structure: The new Guide Price Policy
- Retaining positive relationship with all providers
- Reducing reliance on agency staff
- Market management issues
- Workforce constraints
- Maintaining and improving care quality standards
- Responding to emerging needs including bariatric support
- Expanding dementia support.

Policy

- 36 In order to abide by the Care Act, we promote the efficient and effective operation and sustainability of a market in services, for meeting the care and support needs of individuals. There is a need to transform the care and support offer to ensure we have greater capacity and an improved range of services that are value for money.
- 37 The Local Authority has the option to direct award to all existing AWC providers who have already been awarded a place on the existing framework over the last few years.
- 38 Any care homes who are not currently onboarded on to the AWC framework will need to complete the full tender process on the CHEST, to ensure they can deliver the high standard of care that the Local authority expect for the residents of Cheshire East.

Equality, Diversity and Inclusion

- 39 The provider will be organised and provide services in a way which does not discriminate against the residents or staff in respect of any of the protected characteristics under the Equality Act 2010.
- 40 The provider shall have in place an equal opportunities policy for the recruitment, development and care of the workforce (including volunteers).
- 41 The provider is also required to consider all implications and include such considerations in residents' care plans.
- 42 The provider will ensure that all staff are aware of the general and specific duties of the Equality Act 2010 and the protected characteristics to which they apply.
- 43 An equality impact assessment has been completed as this has an impact on the following people:
- existing and future residents, including their families; and
 - existing and new providers who are interested in working with or continuing to work with CEC.

- 44 The local authority will help providers understand and comply with their statutory obligations under equalities legislation. These rules are also set out in our AWC specification matching the Equality Act. Not tolerating any kind of discriminatory abuse - treating a person in a way which does not respect their race, religion, sex, disability, culture, ethnicity, sexuality or age.

The local authority and providers will ensure that the needs of residents from under-represented groups and priority groups are fully considered in the planning and delivery of service arrangements, these groups are as follows:

- Young people;
- Ex-service personnel;
- People with a learning disability;
- Lesbian, Gay, Bisexual, Transgender people;
- Black and minority ethnic groups;
- Where a referral is made by an Independent Domestic Abuse Advisor or an Independent Sexual Violence Advisor or via the Sexual Assault Rape Centre;
- Those who make themselves vulnerable e.g. homelessness, drug or alcohol use, and sex workers;
- Those who are involved in Family Focus or Complex Dependency programmes.

Carbon Neutral:

- 45 Cheshire East is also working with partners across the borough on our mission to get to a more sustainable future. We continue to engage with care homes around climate change. This will allow us to broaden our outreach to communities, exploring different ways for businesses to support investment in clean, renewable energy from sources such as wind, solar and hydro, waste and water and fleet vehicles.

Consultation

Name of Consultee	Post held	Sign off date
Legal and Finance		
Kevin O'Keefe	Interim Director of Law and Governance	12.09.2025
Daniel O'Brien	Senior Lawyer (Place)	10.09.2025
David Hallworth	Principal Accountant	11.09.2025
Other Consultees:		
Emma Harris	Procurement Manager	04.09.2025
Liz Hopper	Head of Service (Urgent and Emergency Care & New Models of Care)	09.09.2025
Hayley Doyle	Director of Commissioning and Integration (Adults)	09.09.2025

Helen Charlesworth May	Executive Director of Adult Health and Integration	09.09.2025
Access to Information		
Contact Officer:	Aniela Kowalska, Project Manager New Models of Care Aniela.kowalska@cheshireeast.gov.uk	
Background Papers:	<ul style="list-style-type: none"> - June 20205 Committee briefing detailing AWC extension. - DLT slides from November 2024. 	